

Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 EB-07 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00
INRE-00 /029 R

DRAFTED BY NEA/PAB:MHORNBLOW:DE
APPROVED BY NEA/PAB:PWLANDE
EB/AN:TOM ROESCH (DRAFT)
EB/TCA/OA:MSTYLES (DRAFT)

-----102150Z 026745 /64

O 102132Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY KABUL IMMEDIATE

C O N F I D E N T I A L STATE 134938

E.O. 11652: GDS

TAGS: EAIR, AF, US

SUBJECT: ARIANA/PAN AM RELATIONSHIP

1. JOHN KRIMSKY A PAN AM VICE PRESIDENT TELEPHONED
HORN BLOW JUNE 10 TO ADVISE PAN AM WOULD BE DISCUSSING
DESIREABILITY TERMINATING ITS RELATIONSHIP WITH ARIANA AT
BOARD MEETING LATE NEXT WEEK. HE REQUESTED DEPARTMENT'S
REACTION TO THIS PROPOSAL FOR USE AT BOARD MEETING.

2. KRIMSKY NOTED THAT PAN AM ORIGINALLY ENTERED INTO
ARIANA RELATIONSHIP AT USG BEHEST. THEY INVESTED 200,000
DOLLARS AND NOW BELIEVE INVESTMENT WORTH 7 MILLION DOLLARS
BASED UPON 49 BOOK VALUE OF ARIANA. KRIMSKY, WHILE AD-
MITTING NEGOTIATIONS WITH AFGHANS MIGHT BE DIFFICULT, SAID
PAN AM NEEDED THE MONEY AND THEY ARE NOT NOW EARNING CON-
TINUING RETURN ON THEIR INVESTMENT. IN VIEW CHARLIE
BENNETT'S RETIREMENT LATER IN YEAR PAN AM NOW CONSIDERING
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DESIREABILITY SELLING STOCK TO GOA AND PULLING OUT.

3. IN RESPONSE TO QUESTION ABOUT EFFECT PAN AM PULLOUT
WOULD HAVE ON ARIANA KRIMSKY SAID QUOTE ARIANA HAS REACHED
A DEGREE OF SOPHISTICATED IN WORLD AVIATION WHICH WILL
ALLOW THEM TO CONTINUE. THEY ARE A GOOD AIRLINE AND A
PROFITABLE AIRLINE. END QUOTE.

4. COMMENT: OUR INITIAL REACTION HERE ONE OF CONCERN. PAN AM HAS ONLY SIGNIFICANT PRIVATE US INVESTMENT IN COUNTRY. THIS HAS HELPED PROMOTE US AIRCRAFT SALES AND HAS GIVEN US SOME IMPUT AT DECISION-MAKING LEVELS IN COUNTRY. WE WOULD PLAN TO ADVISE PAN AM OF OUR CONCERN, WHILE MAKING CLEAR THAT FINAL DECISION MUST BE MADE BY PAN AM. WE COULD FURTHER POINT OUT UNLIKELY AFGHANS WOULD PROVIDE ANYTHING APPROACHING 7 MILLION DOLLARS AND THAT PAN AM COULD PROBABLY RECEIVE MORE OUT OF RELATIONSHIP BY CONTINUING IT.

5. WE WOULD APPRECIATE RECEIVING EMBASSY COMMENTS BY JUNE 16. IN PARTICULAR WOULD LIKE YOUR EVALUATION OF LIKELY EFFECT PAN AM PULLOUT WOULD HAVE ON ARIANA OPERATIONS. DOES EMBASSY SEE ANY POSSIBILITY OF A COMPROMISE WHEREBY PAN AM COULD GET SOME REVENUES WHILE PLAYING A CONTINUING ALBEIT REDUCED ROLE? FINALLY DOES EMBASSY HAVE KNOWLEDGE OF ANY RECENT LOCAL DEVELOPMENTS WHICH MIGHT HAVE PROMPTED QUERY FROM PAN AM? VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR SCHEDULES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE134938
Document Source: CORE
Document Unique ID: 00
Drafter: MHORNBLOW:DE
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770208-0420
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770667/aaaachff.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b170e57e-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2190326
Secure: OPEN
Status: NATIVE
Subject: ARIANA/PAN AM RELATIONSHIP
TAGS: EAIR, AF, US, ARIANA, (KRIMSKY, JOHN)
To: KABUL
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b170e57e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009